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Charlotte, N. C. 28202

Carol E. Shrum, Vice President

Duke Energy Carolinas
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Charlotte, N. C. 28201-1006

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February 26, 2008

2006-268-E

The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC
for the twelve months ending December 31, 2007. Please feel free
to call me at (704) 382-9826 or Veronica Williams at (704) 382-
8071.

Yours truly,

Carol E. Shrum
Rates & Regulatory Accounting

Enclosure

CES:jr

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

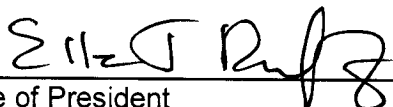
I, Dwight L. Jacobs, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.


Signature of Person Making Verification

Dwight L. Jacobs
Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting
Title

02/25/08
Date Signed

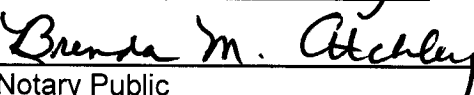

Signature of President

Ellen T. Ruff
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas
Title

02/25/08
Date Signed

Subscribed and sworn to before me this 25th day of February, 2008.


Notary Public

My Commission Expires: December 4, 2009

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs. (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,739,547		\$1,363,501	(\$1,373)	\$1,362,128
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,498,785		368,413	(246)	368,167
3	Purchased power and net interchange	133,950		17,955	(16)	17,939
4	Wages, benefits, materials, etc.	1,496,785		377,786	(1,035)	376,751
5	Depreciation and amortization	934,097		186,947	3,910	190,857
6	General taxes	316,799		67,100	4,662	71,762
7	Interest on customer deposits	3,529		431	0	431
8	Income taxes	383,049		97,090	(6,135)	90,955
9	Amortization of investment tax credit	(8,378)		(2,145)	7	(2,138)
10	Total electric operating expenses	4,758,616		1,113,577	1,147	1,114,724
11	Operating income	\$980,931		249,924	(2,520)	247,404
12	Add: Customer growth adjustment				2,126	2,126
13	Income for return			\$249,924	(\$394)	\$249,530
14	Original cost rate base (b)			\$2,808,673	\$79,686	\$2,888,359
15	Rate of return on South Carolina retail rate base			8.90%		8.64%

Notes: (a) From Page 3, "Total adjustments" line

(b) From Page 4, Line 11

Line No.	Description	Total Company Capitalization December 31, 2007		Per Book Embedded		South Carolina Retail		Pro forma Embedded	
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Operating Income (Col. 4)	Retail Rate Base (Col. 5)	Operating Income (Col. 6)	Retail Rate Base (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$5,064,583	45.00%	\$1,263,903	6.14%	\$77,604	\$1,299,762	6.14%	\$79,805
2	Preferred stock	0	0.00%	0	0.00%	0	0	0.00%	0
3	Members' equity	6,190,046	55.00%	1,544,770	11.16%	172,320	1,588,597	10.68%	169,725
4	Total	\$11,254,629	100.00%	\$2,808,673 (a)		\$249,924 (b)	\$2,888,359 (c)	(e) (f)	\$249,530 (d)

Notes:

- (a) From Page 4, Line 11, Column 2.
- (b) From Page 1, Line 13, Column 2
- (c) From Page 4, Line 11, Column 4.
- (d) From Page 1, Line 13, Column 4.
- (e) If adjusted for weather, this rate would be 10.12%.
- (f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$70 million for the 12 mos ended 12/31/07. A net of tax South Carolina Retail allocation of profits would amount to approximately \$12 million.

DETAIL OF ACCOUNTING ADJS. - SOUTH CAROLINA RETAIL
SC Quarterly for December 31, 2007
(Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchases Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$1,069			(\$417)		(\$652)
2	To annualize wage rate increases				\$2,681		\$495		(1,238)		(1,938)
3	To annualize property taxes on year end plant						3,779		(1,473)		(2,306)
4	To reflect CWP closings to plant					3,296	643		(1,536)		(2,403)
5	To adjust income taxes to reflect interest synchronization								(2,778)		2,778
6	To exclude Greenwood operations	(\$1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	1,307	\$7	2,001
7	Total adjustments	(\$1,373)	(\$246)	(\$16)	(\$1,035)	\$3,910	\$4,662	\$0	(\$6,135)	\$7	(\$2,520)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$22,246,533		\$5,595,232	\$96,539	\$5,691,771
2	Less: Accumulated depreciation and amortization	(10,043,875)		(2,476,567)	(4,365)	(2,480,932)
3	Net electric plant	12,202,658		3,118,665	92,174	3,210,839
4	Add: Materials and supplies	591,286		157,078	(8,362)	148,716
5	Working capital investment	791,330		192,036	0	192,036
6	Plant held for future use	4,554	31.9285%	1,454	0	1,454
7	Less: Accumulated deferred taxes	(1,610,827)		(518,671)	0	(518,671)
8	Operating reserves	(501,415)		(129,357)	0	(129,357)
9	Customer deposits	(51,401)		(12,532)	0	(12,532)
10	Greenwood				(4,126)	(4,126)
11	Total original cost rate base	\$11,426,185		\$2,808,673	\$79,686	\$2,888,359

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$11,094,091		\$2,758,602	\$42,121	\$2,800,723
2	Transmission	2,090,682	19.8603%	415,216	9,371	424,587
3	Distribution (b)	7,485,945	26.7799%	2,004,729	39,024	2,043,753
4	General	558,262	25.7062%	143,508	5,670	149,178
5	Intangible	<u>273,744</u>	25.2759%	<u>69,191</u>	<u>353</u>	<u>69,544</u>
6	Subtotal	21,502,724		5,391,246	96,539	5,487,785
7	Nuclear fuel	<u>743,809</u>	27.4245%	<u>203,986</u>		<u>203,986</u>
8	Total electric plant in service	<u>\$22,246,533 (a)</u>		<u>\$5,595,232</u>	<u>\$96,539</u>	<u>\$5,691,771</u>

Notes: (a) Excludes electric plant held for future use of.....
and electric plant acquisition adjustment of.....

\$4,554
\$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$5,157,443		\$1,219,499	\$642	\$1,220,141
2	Transmission	1,003,679	19.7862%	198,590	527	199,117
3	Distribution	3,125,453		856,707	2,766	859,473
4	General	62,016	25.5904%	15,870	359	16,229
5	Intangible	<u>210,528</u>	25.1551%	<u>52,959</u>	<u>71</u>	<u>53,030</u>
6	Subtotal	9,559,119		2,343,625	4,365	2,347,990
7	Nuclear fuel	<u>484,756</u>	27.4245%	<u>132,942</u>		<u>132,942</u>
8	Total accum depreciation and amortization	<u>\$10,043,875 (a)</u>		<u>\$2,476,567</u>	<u>\$4,365</u>	<u>\$2,480,932</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$160

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:				(a) & (b)	
1	Coal	\$224,169	27.4245%	\$61,477	(\$8,679)	\$52,798
2	Oil	<u>30,274</u>	27.4245%	<u>8,302</u>	<u>317</u>	<u>8,619</u>
3	Total fuel stock	254,443		69,779	(8,362)	61,417
4	Other electric materials and supplies and stores clearing	<u>336,843</u>	25.9168%	<u>87,299</u>	<u>0</u>	<u>87,299</u>
5	Total materials and supplies	\$591,286		\$157,078	(\$8,362)	\$148,716

Notes (a) Adjustment to per book coal inventory balance
to reflect target inventory level.

Coal inventory target level (in tons)	2,867,440		
Price per ton - coal	<u>\$67.14</u>		
Total company pro forma inventory	<u>\$192,520</u>	27.4245%	\$52,798
Per book coal inventory			<u>61,477</u>
Coal adjustment			<u>(\$8,679)</u>

(b) Adjustment to per book oil inventory balance
to reflect target inventory level.

Oil inventory target level (in gallons)	20,542,000		
Price per gallon - oil	<u>\$1.53</u>		
Total company pro forma inventory	<u>\$31,429</u>	27.4245%	\$8,619
Per book oil inventory			<u>8,302</u>
Oil adjustment			<u>\$317</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$2,880,219</u>		<u>\$714,885</u>		<u>\$714,885</u>
2	1/8 of O&M expenses on line 1	\$360,027		\$89,361		\$89,361
3	Less: Average taxes accrued	<u>(93,139)</u>		<u>(25,898)</u>		<u>(25,898)</u>
4	Subtotal	266,888		63,463	\$0	63,463
5	Required bank balances	349	25.7983%	90		90
6	Bond reacquisition premiums	101,111		18,856		18,856
7	Prepayments	422,982	25.9177%	109,627		109,627
8	Total working capital investment	<u>\$791,330</u>		<u>\$192,036</u>	<u>\$0</u>	<u>\$192,036</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$950,113	25.9261%	\$246,327	\$0	\$246,327
2	Transmission	53,048	19.8603%	10,535	0	10,535
3	Distribution	95,616	26.7799%	25,606	0	25,606
4	General	31,708	25.7062%	8,151	0	8,151
5	Intangible	<u>108,234</u>	25.2759%	<u>27,357</u>	<u>0</u>	<u>27,357</u>
6	Total construction work in progress	<u>\$1,238,719</u>		<u>\$317,976</u>	<u>\$0</u>	<u>\$317,976</u>

Line		
No.	Description	
	12 Months Ended December 31, 2007	
1	SEC Fixed Charges Coverage	4.15
2	Earnings per Share	\$1.21

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	Operating Revenues (\$000s)							
2	Residential	\$2,151,814			\$1,657,735	77.0389%	\$494,079	22.9611%
3	Commercial	\$1,759,833			\$1,380,698	78.4562%	\$379,135	21.5438%
4	Industrial	\$1,106,050			\$684,511	61.8879%	\$421,539	38.1121%
5	Public Street & Hghwy Lighting	\$32,279			\$27,564	85.3921%	\$4,715	14.6079%
6	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
7	Sales for Resale:							
8	Special Contract	\$392,688	\$274,790	69.9766%	\$85,056	21.6599%	\$32,842	8.3634%
9	Other	\$72,730	\$72,730	100.0000%				
10	Total Rev from Sales of Electr	\$5,515,393	\$347,520	6.3009%	\$3,835,564	69.5429%	\$1,332,310	24.1562%
11	Kilowatthour Sales (000s)							
12	Residential	26,781,541			20,327,700	75.9019%	6,453,841	24.0981%
13	Commercial	26,977,248			21,159,783	78.4357%	5,817,465	21.5643%
14	Industrial	23,828,962			14,121,320	59.2612%	9,707,641	40.7388%
15	Public Street & Hghwy Lighting	275,608			233,868	84.8553%	41,740	15.1447%
16	Interdepartmental	0			0	0.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	7,025,588	4,916,271	69.9766%	1,521,737	21.6599%	587,580	8.3634%
19	Other	1,652,541	1,652,541	100.0000%				
20	Total KWH Sales	86,541,487	6,568,811	7.5904%	57,364,408	66.2854%	22,608,268	26.1242%
21	Revenue Per KWH Sold (Cents)							
22	Residential	8.03			8.16		7.66	
23	Commercial	6.52			6.53		6.52	
24	Industrial	4.64			4.85		4.34	
25	Public Street & Hghwy Lighting	11.71			11.79		11.30	
26	Interdepartmental	0.00			0.00		0.00	
27	Sales for Resale:							
28	Special Contract	5.59	5.59		5.59		5.59	
29	Other	4.40	4.40					
30	Total Revenue: per KWH Sold	6.37	5.29		6.69		5.89	